HB 1665-FN-A-LOCAL - AS AMENDED BY THE HOUSE

17Feb2022... 0320h

2022 SESSION

22-2482
10/08

HOUSE BILL ***1665-FN-A-LOCAL***

AN ACT establishing a municipal road and bridge disaster relief fund.

SPONSORS: Rep. Aron, Sull. 7; Rep. Stapleton, Sull. 5; Rep. Edwards, Rock. 4; Rep. Pearl, Merr. 26; Rep. Rollins, Sull. 6; Rep. Rhodes, Ches. 15; Rep. Weyler, Rock. 13; Sen. Kahn, Dist 10; Sen. Ward, Dist 8; Sen. Giuda, Dist 2

COMMITTEE: Municipal and County Government

AMENDED ANALYSIS

This bill establishes a municipal road and bridge disaster relief fund in the division of homeland security and emergency management to be used for infrastructure repairs in order to facilitate the safe passage and access on municipal roads and bridges.

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Explanation: Matter added to current law appears in ***bold italics.***
Matter removed from current law appears [~~in brackets and struckthrough.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Two

AN ACT establishing a municipal road and bridge disaster relief fund.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 New Section; Homeland Security and Emergency Management; Municipal Road and Bridge Disaster Relief Fund. Amend RSA 21-P by inserting after section 37-c the following new section:

21-P:37-d Municipal Road and Bridge Disaster Relief Fund.

I. A municipal road and bridge disaster relief fund is established in order to provide gap funding to municipalities that have experienced damage to their roads and bridges due to a natural disaster (a) while they wait for federal emergency assistance from the Federal Emergency Management Administration (FEMA), or (b) while they wait for other funding sources that will be used to rebuild their roads and bridges. This gap funding shall be used for infrastructure repairs in order to facilitate the safe passage and access on municipal roads and bridges. The fund shall be nonlapsing and continually appropriated to the department of safety, division of homeland security and emergency management.

II. The municipal road and bridge disaster relief fund shall be used for the purposes described in paragraph I and shall be funded in the following manner:

(a) Municipalities wishing to draw from this fund in the future shall pay into the fund annually in an amount equal to one-half of one percent of its municipal operating budget.

(b) The sum of up to $5,000,000 annually is hereby appropriated by the state to this fund, until the funding reaches $30,000,000. The governor is authorized to draw a warrant for said sum out of any money in the treasury not otherwise appropriated.

(c) Any federal grant money received for purposes of municipal road and bridge disaster relief by the division of homeland security and emergency management may be deposited to this fund.

III. A municipality may draw from the municipal road and bridge disaster relief fund more than once in a calendar year.

IV. A municipality may only draw from the municipal road and bridge disaster relief fund if the amount of the total damage is at least 50 percent of the municipality's annual municipal operating budget and the amount needed for repairs is greater than what is available in the municipality's fund balance.

V. The division of homeland security and emergency management shall administer the expenditures from this fund. The department shall authorize municipal road and bridge disaster relief funds to the affected municipality upon receipt of:

(a) An assessment report prepared by a professional engineer outlining the costs of repairs intended to make the roads and/or bridges damaged by a natural disaster safely passable.

(b) A letter to the commissioner of the department of safety and the director of the division of homeland security and emergency management from the municipality's governing body and budget committee, if any, requesting the amount needed to repair damage to roads and bridges resulting from a natural disaster.

(c) Demonstration that the roads and/or bridges which were damaged due to natural disaster are of significant and/or critical importance to commerce, or provides access into or out of the municipality.

VI. The director of the division of homeland security and emergency management shall adopt rules pursuant to RSA 541-A on procedures for municipal participation, applications, compliance requirements, and withdrawal requests, and for other matters necessary for the administration of this section.

2 Rulemaking; Municipal Road and Bridge Disaster Relief Fund. The director of the division of homeland security and emergency management shall adopt interim rules under RSA 541-A within 30 days of the effective date of this act for the expeditious implementation of RSA 21-P:37-d.

3 New Subparagraph; State Treasury; Dedicated Funds. Amend RSA 6:12, I(b) by inserting after subparagraph (382) the following new subparagraph:

(383) Moneys in the municipal road and bridge disaster relief fund established in RSA 21-P:37-d.

4 Effective Date. This act shall take effect upon its passage.

LBA
22-2482
Amended 3/11/22

HB 1665-FN-A-LOCAL- FISCAL NOTE
AS AMENDED BY THE HOUSE (AMENDMENT #2022-0320h)

AN ACT establishing a municipal road and bridge disaster relief fund.

FISCAL IMPACT: [X] State [ ] County [X] Local [ ] None

	Estimated Increase / (Decrease)			
STATE:	**FY 2022**	**FY 2023**	**FY 2024**	**FY 2025**
Appropriation	$5,000,000	$5,000,000	$5,000,000	Indeterminable (Subject to Fund's $30M Cap)
Revenue	Indeterminable	Indeterminable	Indeterminable	Indeterminable
Expenditures	Indeterminable	Indeterminable	Indeterminable	Indeterminable
Funding Source:	[X] General [ ] Education [ ] Highway [X] Other - Municipal Road and Bridge Disaster Relief Fund (NEW)			

LOCAL:

Revenue	Indeterminable	Indeterminable	Indeterminable	Indeterminable
Expenditures	Indeterminable	Indeterminable	Indeterminable	Indeterminable

METHODOLOGY:

This bill establishes a municipal road and bridge disaster relief fund to be administered by the Department of Safety Division of Homeland Security and Emergency Management. The purpose of the fund would allow for participating municipalities to draw from the fund to cover certain infrastructure repair costs related to certain natural disasters. The fund would be supported by an annual $5,000,000 general fund appropriation, as well as any other available federal grant funding, until the fund's balance reaches $30,000,000. Also, municipalities that intend on drawing from the fund would be required to pay into the fund annually in an amount equal to one-half of one percent of its municipal operating budget. It is unclear how many municipalities may opt to participate, but for informational purposes, the New Hampshire Municipal Association has indicated, based on data from the New Hampshire Public Finance Consortium, that total municipal appropriations in FY 2021 were approximately $1.6 billion. Based on this figure, full statewide participation could generate approximately $8,000,000 in fund contributions annually. It can be assumed that for at least FY 2022 through FY 2024, the $5,000,000 general fund appropriation to the fund would be made, however municipal contributions and approved fund draws are indeterminable. General fund appropriations in FY 2025 and each year thereafter is also indeterminable at this time as it would be subject to the fund's $30,000,000 cap.

The Division indicates it would need one part-time position (program planner II) to administer this fund. Estimated costs of this position, assuming a start date of July 1, 2022, are $39,000 in FY 2023, $42,000 in FY 2024, and $46,000 in FY 2025. It should be noted that this bill is silent on administrative costs being an allowable use of the fund.

Lastly, the Division states this bill may affect future Federal Emergency Management Agency (FEMA) reimbursement eligibility as it would constitute an insurance "policy". This would mean communities that opted into the "policy" would be required by FEMA to receive proceeds for all eligible work covered by the "policy". This would include all work eligible under the policy, regardless of the amount of funding available in the "policy bank". Additionally, none of this work would be eligible for FEMA reimbursement because funding is available from another source (i.e. duplication of benefits).

AGENCIES CONTACTED:

Department of Safety and New Hampshire Municipal Association